



General Assembly

February Session, 2016

***Raised Bill No. 461***

LCO No. 3270



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:  
(FIN)

***AN ACT CONCERNING A SMALL MINORITY BUSINESS REVOLVING LOAN FUND.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) For the purposes of this  
2 section:

3 (1) "Eligible small business" means a business (A) meeting the  
4 eligibility criteria in subsection (a) of section 32-7g of the general  
5 statutes, and (B) that is owned by one or more members of a minority;

6 (2) "Minority business development entity" means a nonprofit  
7 organization (A) having a lending portfolio on or before the effective  
8 date of this act from which at least seventy-five per cent of lending is  
9 provided to minority-owned businesses state-wide; and (B) that  
10 provided technical assistance on or before the effective date of this act,  
11 provided at least seventy-five per cent of such assistance was provided  
12 to minority-owned businesses state-wide; and

13 (3) "Minority" means: (A) Black Americans, including all persons

14 having origins in any of the Black African racial groups not of  
15 Hispanic origin; (B) Hispanic Americans, including all persons of  
16 Mexican, Puerto Rican, Cuban, Central or South American, or other  
17 Spanish culture or origin, regardless of race; (C) all persons having  
18 origins in the Iberian Peninsula, including Portugal, regardless of race;  
19 (D) women; (E) Asian Pacific Americans and Pacific islanders; or (F)  
20 American Indians and persons having origins in any of the original  
21 peoples of North America and maintaining identifiable tribal  
22 affiliations through membership and participation or community  
23 identification.

24 (b) (1) The Commissioner of Economic and Community  
25 Development shall provide grants to not more than two minority  
26 business development entities for the purpose of establishing minority  
27 business revolving loan funds. Any such grant to establish a minority  
28 business revolving loan fund shall be used by the minority business  
29 development entity to establish and administer a minority business  
30 revolving loan fund. Moneys from such funds shall be used to (A)  
31 provide loans to eligible small businesses. Such loans shall be used for  
32 acquisition or purchase of machinery and equipment, construction or  
33 leasehold improvements, relocation expenses, working capital or other  
34 business-related expenses, as authorized by the minority business  
35 development entity, and (B) fund the administrative costs associated  
36 with the provision of such loans by a minority business development  
37 entity, provided a minority business development entity may not use  
38 more than ten per cent of the amount received as a grant under this  
39 section to fund such costs.

40 (2) Loans from the revolving loan fund may be in amounts from ten  
41 thousand dollars to a maximum of one hundred thousand dollars,  
42 shall carry a maximum repayment rate of four per cent and shall be for  
43 a term of not more than ten years. The minority business development  
44 entity shall review and approve loan terms, conditions and collateral  
45 requirements in a manner that prioritizes job growth and retention.

46 (3) Any eligible small business may apply for assistance from the  
47 revolving loan fund, but the minority business development entity  
48 shall give priority to applicants that, as part of their business plan, are  
49 creating new jobs that will be maintained for not less than twelve  
50 consecutive months.

51 (c) Loans from a revolving fund established pursuant to subsection  
52 (b) of this section shall be provided in such a manner that on or before  
53 five years of the date such fund is established, the annual funds or  
54 revenues derived from investment income, loan repayments or any  
55 other sources received by the minority business development entity in  
56 connection with its program to provide loans to eligible small  
57 businesses is sufficient to fund the administrative costs associated with  
58 providing such loans.

59 (d) A minority business development entity receiving a grant  
60 pursuant to subsection (b) of this section shall annually submit a  
61 financial audit of grant expenditures to the commissioner until all  
62 grant moneys have been expended by such entity. Any such audit  
63 shall be prepared by an independent auditor and if the commissioner  
64 finds that any such grant is being used for purposes that are not in  
65 conformity with uses set forth in subsection (b) of this section, the  
66 commissioner may require repayment of the grant.

67 Sec. 2. (*Effective from passage*) The proceeds of the sale of the bonds  
68 described in sections 12 to 19, inclusive, of [this act] public act 15-1 of  
69 the June special session shall be used for the purpose of providing  
70 grants-in-aid and other financing for the projects, programs and  
71 purposes hereinafter stated:

72 (a) For the Office of Policy and Management:

73 (1) Grants-in-aid to private, nonprofit health and human service  
74 organizations that are exempt under Section 501(c)(3) of the Internal  
75 Revenue Code of 1986, and that receive funds from the state to provide  
76 direct health or human services to state agency clients, for alterations,

77 renovations, improvements, additions and new construction, including  
78 health, safety, compliance with the Americans with Disabilities Act  
79 and energy conservation improvements, information technology  
80 systems, technology for independence, purchase of vehicles and  
81 acquisition of property, not exceeding \$10,000,000;

82 (2) For the Responsible Growth Incentive Fund, not exceeding  
83 \$5,000,000;

84 (3) Grants-in-aid for the purchase of body-worn recording  
85 equipment and digital data storage devices or services for law  
86 enforcement officers, not exceeding \$15,000,000, provided \$2,000,000  
87 shall be made available to the Department of Emergency Services and  
88 Public Protection for members of the state police and \$13,000,000 shall  
89 be made available to municipalities for local law enforcement officers.

90 (b) For the Department of Administrative Services: Grants-in-aid to  
91 alliance districts to assist in paying for general improvements to school  
92 buildings, not exceeding \$50,000,000.

93 (c) For the Labor Department: For the Subsidized Training and  
94 Employment program established pursuant to section 31-3pp of the  
95 general statutes, not exceeding \$5,000,000.

96 (d) For the Department of Energy and Environmental Protection:

97 (1) For a Long Island Sound stewardship and resiliency program for  
98 protection of costal marshes and other natural buffer areas and for  
99 grants-in-aid to increase the resiliency of wastewater treatment  
100 facilities, not exceeding \$20,000,000;

101 (2) Grants-in-aid to municipalities, in consultation with the Office of  
102 Policy and Management, to encourage low impact design of green  
103 municipal infrastructure to reduce nonpoint source pollution, not  
104 exceeding \$20,000,000;

105 (3) Grants-in-aid to municipalities for open space land acquisition

106 and development for conservation or recreational purposes, not  
107 exceeding \$8,000,000.

108 (e) For the Department of Economic and Community Development:

109 (1) For the Connecticut Manufacturing Innovation Fund established  
110 by section 32-7o of the general statutes, not exceeding \$20,000,000,  
111 provided not more than \$3,500,000 shall be used as a grant-in-aid to  
112 the Connecticut Center for Advanced Technology for research and  
113 development of the machining of high rate laser-engineered additive  
114 manufacturing;

115 (2) For the Small Business Express program established by section  
116 32-7g of the general statutes, not exceeding \$50,000,000, provided  
117 twenty-five million dollars shall be used by said department for the  
118 purpose of making grants to minority business development entities  
119 pursuant to section 1 of this act, provided (A) five million dollars of  
120 said twenty-five million dollar authorization shall be effective July 1,  
121 2016; (B) five million dollars of said twenty-five million dollar  
122 authorization shall be effective July 1, 2017; (C) five million dollars of  
123 said twenty-five million dollar authorization shall be effective July 1,  
124 2018; (D) five million dollars of said twenty-five million dollar  
125 authorization shall be effective July 1, 2019; and (E) five million dollars  
126 of said twenty-five million dollar authorization shall be effective July 1,  
127 2020;

128 (3) For the Brownfield Remediation and Revitalization program, not  
129 exceeding \$20,000,000;

130 (4) For the Implementation of a minority business enterprise  
131 assistance program to assist such businesses in obtaining surety bonds,  
132 including bid, performance and payment bonds, for capital  
133 construction projects, which program may be run by a nonprofit entity  
134 with which said department shall contract, not exceeding \$2,000,000.

135 (f) For the Department of Housing: For the Main Street Investment

136 Fund established by section 4-66h of the general statutes, not  
137 exceeding \$5,000,000.

138 (g) For the Capital Region Development Authority:

139 (1) For the purposes and uses provided in section 32-602 of the  
140 general statutes, not exceeding \$50,000,000, provided not more than  
141 \$20,000,000 shall be made available to finance projects, including  
142 grants-in-aid for public infrastructure, in Hartford outside the  
143 boundaries of the capital city economic development district and of  
144 which \$10,000,000 of such \$20,000,000 shall be made available for  
145 projects in the federally designated Promise Zone.

146 (2) Grants-in-aid to the Tennis Foundation of Connecticut for capital  
147 improvements, not exceeding \$1,500,000.

148 (h) For the Department of Transportation:

149 (1) Grants-in-aid for improvements to ports, harbors and marinas,  
150 including dredging and navigational improvements, not exceeding  
151 \$17,500,000, provided not less than \$5,000,000 shall be made available  
152 to the ports, harbors and marinas in the state other than the deep water  
153 ports in the cities of Bridgeport, New Haven and New London;

154 (2) Grants-in-aid to municipalities for use in the manner set forth in,  
155 and in accordance with the provisions of, sections 13a-175a to 13a-  
156 175k, inclusive, of the general statutes, not exceeding \$60,000,000.

157 (i) For the Department of Education:

158 (1) Grants-in-aid for the purpose of capital start-up costs related to  
159 the development of new interdistrict magnet school programs to assist  
160 the state in meeting the goals of the current stipulation and order for  
161 Milo Sheff, et al. v. William A. O'Neill, et al., for the purpose of  
162 purchasing a building or portable classrooms, subject to the reversion  
163 provisions in subdivision (1) of subsection (c) of section 10-264h of the  
164 general statutes, leasing space and purchasing equipment, including,

165 but not limited to, computers and classroom furniture, not exceeding  
166 \$20,000,000;

167 (2) Grants-in-aid to assist targeted local and regional school districts  
168 for alterations, repairs, improvements, technology and equipment in  
169 low-performing schools, not exceeding \$6,000,000;

170 (3) Grants-in-aid to the American School for the Deaf for alterations,  
171 renovations and improvements to the buildings and grounds, not  
172 exceeding \$5,000,000.

173 (j) For the State Library:

174 (1) Grants-in-aid to public libraries for construction, renovations,  
175 expansions, energy conservation and handicapped accessibility, not  
176 exceeding \$5,000,000;

177 (2) Grants-in-aid to public libraries for high-speed connections to  
178 the Connecticut Education Network, not exceeding \$3,600,000.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section

***Statement of Purpose:***

To require that twenty-five million dollars of the Small Business Express program bond authorization be used for the provision of grants to minority business development entities for the purpose of establishing revolving loan funds for loans to minority-owned businesses.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*